THE HON'BLE SRI JUSTICE V.V.S.RAO

WRIT PETITION No.9553 of 2007

Dated: 01-05-2007

Between:

V. Vishnu Vardhan Reddy.

..... PETITIONER

AND

The District Level Sand Committee,
rep. by its chairman, Nellore District and others.

.....RESPONDENTS

THE HON'BLE SRI JUSTICE V.V.S.RAO

WRIT PETITION No.9553 of 2007

ORDER:

The petitioner became the highest bidder in the auction conducted on 26.10.2006 to lease out the sand reach in Penna River in the jurisdiction of Sangam Gram Panchayat. Second respondent, namely, the Joint Collector, confirmed the auction by proceedings/order dated 11.12.2006 after the petitioner paid 1/4th of the amount of the bid. He was directed to pay the balance 3/4th amount within seven days. The petitioner did not pay the amount, and therefore, second respondent in exercise of powers conferred under Rule 9-H(3) of the Andhra Pradesh Minor Mineral Concession Rules, 1966 (for short 'the Rules'), passed impugned proceedings/order bearing Roc.No.2913/2006-A3, dated 01.04.2007, cancelling the auction

conducted on 26.10.2006 and also forfeiting the amount of 25% paid by the petitioner. Aggrieved by the same, instant writ petition is filed.

The petitioner contends that after obtaining the confirmation order dated 11.12.2006 from second respondent, he visited the sand reach where he came to know that there was construction of
Bridge-cum-Barrage across Penna River and the Executive Engineer informed that said work was sanctioned to M/s P.V.R. Projects Limited, Hyderabad, and if sand is lifted, the life of the Dam will be spoiled. The same was also intimated to third respondent. In the meanwhile, second respondent passed impugned order dated 01.04.2007. The learned counsel for the petitioner placed reliance on Rule 9-A of the Rules to contend that when the Project work was pending, Rule 9-H(3) of the Rules cannot be applied. This submission cannot be accepted. The operation of Rule 9-H(3) does not depend on any other circumstances. The Rule is clear that after confirmation of the auction in favour of the highest bidder, such person has to deposit the balance amount within seven days, failing which, the amount can be forfeited and auction can be cancelled. Rule 9-H of the Rules prescribes the procedure for deposit of lease amount and execution of lease agreement. A plain reading of
sub-Rule (3) thereof would show that the moment the bidder fails to pay 25% of the knocked down amount on the next working day of auction or fails to pay the remaining 75% of the knocked down amount within the period specified in the confirmation order, the auction can be cancelled and the amount can be forfeited. This was precisely done. The petitioner does not dispute that second respondent while confirming the auction gave seven days time to the petitioner to pay the balance amount. The petitioner failed to pay the amount nor executed the agreement as contemplated under Rule 9-H of the Rules. In that view of the matter, impugned order of second respondent dated 01.04.2007 cannot be termed as illegal.

The writ petition is misconceived, and is accordingly, dismissed. No costs.

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(**V.V.S.RAO, J**)

01st May, 2007
ghn